



Environmental Services Division
Land Quality Bureau

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High Crude Prices Continue to Push Retail Petroleum Product Prices Higher

Iowa retail petroleum product prices rose in February, as investments in commodities priced in U.S. dollars pushed crude oil prices above the \$100 per barrel mark. The February 28th price of West Texas Cushing Sweet Crude Oil was at \$102.60 per barrel, up 14 percent from January 2008 and 66 percent higher than the February 2007 price of \$61.80. According to Energy Information Administration (EIA) predictions, high crude oil prices will keep gasoline prices above \$3.00 through winter. Spring and summer 2008 prices will likely reach record highs.

“Lowered demand brought on by our struggling economy and by gasoline priced above \$3 per gallon, along with gasoline inventories above the 5-year average, would typically work to lower prices at the pump,” said Jim Bodensteiner, an Iowa Department of Natural Resources Program Planner. Continued high crude prices, however, mean that we probably won’t realize the cost benefits of lowered demand and strong inventories this year.”

February gasoline prices in Iowa are averaging \$3.02 per gallon of 10 percent ethanol blended mid-grade gasoline, a 1.7 percent increase from January’s average price of \$2.97 per gallon and a 38.5 percent increase from the February 2007 price of \$2.18 price per gallon of the same blend.

The February 28th average price for diesel in Iowa was \$3.58 per gallon, \$0.21 higher than January’s price and up 43.8 percent from the February 2007 price of \$2.49. Nationally, diesel fuel hit a record high \$3.63 per gallon February 28, up 5.8 percent from January’s \$3.43 per gallon.

On February 29th, natural gas was trading at \$9.40/MMBtu, up \$1.26/MMBtu from last month and \$1.62 higher than one year ago, a 20.8 percent increase. The EIA reports that working natural gas in storage was 2,062 bcf as of February 1, 2008, 62 bcf above the 5-year average from 2003 to 2007 and 317 bcf below the level during the corresponding week last year.

A survey completed by the Iowa Department of Natural Resources on February 18, 2008, indicated that the average retail price of heating oil in Iowa was \$3.07 per gallon, \$0.06 higher than last month, and \$0.91 higher than the price of heating oil at this time last year, a 42 percent increase. The same survey found that propane is selling in Iowa for an average of \$1.95 per gallon across the state, \$0.02 lower than a month ago, and \$0.46 higher than the price at this time last year, a 31 percent increase.

To limit the impact of high energy prices on their wallets, consumers should make improvements to their homes' and vehicles' energy efficiency. Simply caulking and weather-stripping to eliminate air leaks can save 10 percent on a typical home's energy bill. More tips for saving energy and money at home and on the road are available at www.EnergySavingTips.gov.

10% Ethanol Average Retail Price Per Gallon -- Major Iowa Cities

Self-Serve Ethanol	2/28/08	1/15/08	Difference
Ames	\$2.99	\$2.98	+\$0.15
Cedar Rapids	\$3.06	\$2.99	+\$0.24
Council Bluffs	\$2.99	\$2.87	+\$0.07
Davenport	\$3.05	\$3.04	+\$0.28
Des Moines	\$2.97	\$2.92	+\$0.18
Dubuque	\$3.02	\$2.93	+\$0.07
Fort Dodge	\$3.00	\$2.94	+\$0.15
Iowa City	\$3.11	\$3.00	+\$0.12
Sioux City	\$3.01	\$2.90	+\$0.06
Waterloo	\$3.02	\$3.00	+\$0.15
Webster City	\$3.04	\$3.05	+\$0.15
Average Metro Price	\$3.02	\$2.97	+\$0.05

Source: Oil Price Information Service, www.opisnet.com

Motor Fuels Survey State Average Price Per Gallon

Self-Serve	2/28/08	1/15/08	Difference
Regular Unleaded with 10% Ethanol	\$3.02	\$2.97	+\$0.05
Regular Unleaded	\$3.10	\$3.02	+\$0.08
Premium Unleaded	\$3.19	\$3.12	+\$0.07
Diesel	\$3.58	\$3.37	+\$0.21

Source: Oil Price Information Service, www.opisnet.com

Heating Fuels Survey

Heating Fuel Type	2/29/08	1/15/08	Difference
Natural Gas	9.40/MMbtu	8.14/MMbtu	+\$1.26/MMbtu

Source: Wall Street Journal

Heating Fuel Type	2/18/08	1/15/08	Difference
Propane	\$1.95	\$1.97	-\$0.02
#2 Heating Oil	\$3.07	\$3.01	+\$0.06

Source: Iowa Department of Natural Resources